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LETTER DATED 10 JUNE 1991 FROM THE PERMANENT REPRESENTATIVE OF CANADA TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

In response to your letter of 23 January to the Secretary of State for External Affairs, I have the honour to transmit to you the following report on the contributions made by Canada to alleviate the special economic problems of the 19 States which have approached the Security Council under the provisions of Article 50 of the United Nations Charter.

The Gulf crisis dealt a significant economic shock to a number of countries through lost trade, lost foreign remittances, the cost of repatriating and reintegrating displaced workers and the sharp increase in the price of oil. Some countries experienced particular economic difficulties from the disruption of their trading relationships due to the implementation of sanctions against Iraq. Canada has been concerned about the economic difficulties encountered and has taken a number of measures to help to assist the countries affected, and has participated in the Gulf Crisis Financial Coordination Group.

Last September, Prime Minister Mulroney announced a $77.5 million package of economic and humanitarian assistance for those affected by the Gulf crisis. The package was allocated as follows: Egypt $26 million, Jordan $26.65 million, Turkey $5 million. Some $19.85 million was allocated for humanitarian assistance which was provided to international humanitarian organizations assisting in the care and transport of displaced people, as well as the direct victims of the conflict. Some of this allocation was also used to support the reintegration of these workers once repatriated, through both our bilateral programmes and multilateral channels.

In addition, Canada provided $13 million in ODA debt forgiveness for Egypt and a package of aid and trade measures for Turkey valued at $19 million. We also provided 10,000 gas masks for distribution by UNRWA to Palestinians in the occupied territories.

Canada recognized that the impact of the crisis was widespread, particularly in poorer countries which were less able to absorb the economic shock. The particular needs of countries will be addressed through the

adaptation of our bilateral programmes as appropriate. Because the multilateral financial institutions have existing programmes capable of responding to the needs for additional financing, Canada advocated measures which increased the ability of developing countries to gain access to these programmes. In particular, we supported the extension of the Enhanced Structural Adjustment Facility of the IMF for a fourth year and increased access to the Compensation and Contingency Financing Facility of the IMF. Canada has also supported the World Bank and the regional development banks in their valuable role in making needed financing available.

I trust this information is useful to you in reporting to the Council on actions taken to alleviate the special economic problems of countries which have requested assistance under the provisions of Article 50.

I kindly request that this letter be circulated as a document of the Security Council.

(Signed) L. Yves FORTIER, O.C., Q.C.
Ambassador and
Permanent Representative